



Metamorphoses of Capital

Having completed our course on Volume 1 of “Capital”, we now begin Part 2. We will proceed in ten parts through to the end of Part 3.

“The Metamorphoses of Capital and their Circuits” is the title of Part 1 of Karl Marx’s “Capital, Volume 2. A “metamorphosis” (plural “metamorphoses”) in science is a profound change in form, such as from a tadpole to a frog or from a caterpillar to a butterfly. [The illustration above refers to the famous story “[Metamorphosis](#)”, by Franz Kafka, wherein a man turns into a beetle].

Skimming through the first chapters of Volume 2, even though they contain some rather obscure formulas, it quickly becomes clear that what Marx is describing are the changes and movements that take place during the repeated acting-out of

the capitalistic relationship (i.e. sale by the working proletarian, and its purchase by the capitalist, of commodified labour-power; extraction of surplus value; and sale of the commodified product of labour for money). These changes and movements are somewhat invisible to the actors, or else are only visible to them in an illusory form.

From Chapter 2:

“So long as the product is sold, everything is taking its regular course from the standpoint of the capitalist producer. The circuit of capital-value he is identified with is not interrupted. And if this process is expanded — which includes increased productive consumption of the means of production — this reproduction of capital may be accompanied by increased individual consumption (hence demand) on the part of the labourers, since this process is initiated and effected by productive consumption. Thus the production of surplus-value, and with it the individual consumption of the capitalist, may increase, the entire process of reproduction may be in a flourishing condition, and yet a large part of the commodities may have entered into consumption only apparently, while in reality they may still remain unsold in the hands of dealers, may in fact still be lying in the market. Now one stream of commodities follows another, and finally it is discovered that the previous streams had been absorbed only apparently by consumption. The commodity-capitals compete with one another for a place in the market. Late-comers, to sell at all, sell at lower prices. The former streams have not yet been disposed of when payment for them falls due. Their

owners must declare their insolvency or sell at any price to meet their obligations. This sale has nothing whatever to do with the actual state of the demand. It only concerns the demand for payment, the pressing necessity of transforming commodities into money. Then a crisis breaks out. It becomes visible not in the direct decrease of consumer demand, the demand for individual consumption, but in the decrease of exchanges of capital for capital, of the reproductive process of capital."

Different capitals compete with one another, says Marx. The fundamental type of capital has been described in Volume 1. Here we see "capitals", plural, interacting with each other to produce a secondary phenomenon – a crisis.

Later in the same Chapter (under Part 3), Marx is very clear about the difference between "accumulation" and "hoarding". This is a crucial point in terms of recent SACP theory, which has at times leant heavily on the term "accumulation", or alternatively "accumulation path". Marx says:

"Hence the accumulation of money, hoarding, appears here as a process by which real accumulation, the extension of the scale on which industrial capital operates, is temporarily accompanied. Temporarily, for so long as the hoard remains in the condition of a hoard, it does not function as capital, does not take part in the process of creating surplus-value, remains a sum of money which grows only because money, come by without its doing anything, is thrown in the same coffer."

“Accumulation” for Marx is always the assembly of the prerequisites for the relationship “Capital” to make it appear in the first place, or subsequently, to make it repeat, and especially, to expand in scale. Any other kind of gathering-in, if it is not for consumption, is “hoarding”.

For a reading of part of the original text, we offer Chapter 6, the last chapter in Part 1 of Volume 2 of Capital (attached; see also below for a link to download this chapter).

It is clear from Chapter 6 that in this Part 1, called “Metamorphoses of Capital and their Circuits”, Marx is dealing with the Reproduction and Accumulation of capital, where “reproduction” is accomplished by the reassembly (called by Marx “accumulation”) of the elements of production so that the cycle of extraction of surplus value can be re-enacted.

The following quotation can suffice to show that there is no question of Marx backsliding on the question of surplus-value being the source of “the self-increase of capital”, as expounded repeatedly in Volume 1:

*“To the capitalist who has others working for him, buying and selling becomes a primary function. Since he appropriates the product of many on a large social scale, he must sell it on the same scale and then reconvert it from money into elements of production. Now as before neither the time of purchase nor of sale creates any value. **The function of merchant’s capital gives rise to an illusion.**”*

The illusion is that the self-increase in capital can be found in trading, whereas Marx continues to say that the self-increase in capital is found in the workplace, by the extraction of surplus labour.

- The above is to introduce the original reading-text: [Chapter 6, The Costs of Circulation, from Capital, Volume 2, Karl Marx.](#)
- To download any of the CU courses in PDF files [please click here.](#)